



Mozambique: Government Justifies Purchase of Tuna Fishing Fleet

27 NOVEMBER 2013

Maputo — Mozambican Prime Minister Alberto Vaquina on Wednesday justified the purchase of a tuna fishing fleet by the company EMATUM (Mozambique Tuna Company) as part of "a development strategy based on the integrated and balanced exploitation of our natural resources".

He was speaking in the country's parliament, the Assembly of the Republic, in response to demands from both opposition parties, Renamo and the Mozambique Democratic Movement (MDM), that he explain the purchase and why the government has guaranteed it.

In theory, EMATUM is a private company, but its shareholders are state bodies. The major shareholder is the Institute for the Management of State Holdings (IGEPE), with 34 per cent.

The other shareholders are the state fishing company Emopesca and GIPS (Management of Investments, Holdings and Services), with 33 per cent each. GIPS was set up in December 2011, and its main shareholder is the social services of the State Intelligence and Security Service (SISE).

EMATUM financed the purchase of the ships by issuing bonds on the Eurobond market. The bond issue was initially for 500 million US dollars, but it was oversubscribed and EMATUM ended up issuing bonds for 850 million dollars. The government has guaranteed the bonds which will have a final yield of 8.5 per cent.

The boats concerned are 24 fishing vessels (a mixture of trawlers and longliners) and six patrol boats which are being built in a shipyard in Cherbourg, France.

The total cost of the boats is put at 270 million dollars. It is not yet clear what the other 580 million dollars will be used for.

Vaquina said that currently, out of the 130 vessels authorised to fish for tuna in Mozambique's Exclusive Economic Zone, only one is Mozambican. "So 129 of the fishing ships are foreign", he said. "They fish for tuna and carry it directly from the high seas to foreign fishing ports, where it is later processed".

"Today, if Mozambique wants to consume tuna from its own waters, it has to import it from other countries", Vaquina added. "In the current situation, Mozambique is losing opportunities to train young Mozambicans in this fishery. We are losing opportunities to employ our young people, as well as to increase our own exports".

EMATUM had been set up to ensure that tuna would be unloaded at Mozambican ports, and that tuna fishing would play an increasingly important role in the country's economy.

"The activity of this company will allow our country, for the first time, to enjoy access to fresh tuna that Mozambicans can eat, thus contributing to better household food and nutritional security", the Prime Minister said.

The acquisition of the tuna fleet "is intended to endow Mozambique with the capacity to exploit one of its own resources, to the benefit of its people and its economy", Vaquina stressed.

"Studies show that EMATUM, once it starts operating, can generate about 1,500 jobs, not including the jobs that will be created in processing and marketing the tuna", he said.

As for the patrol boats, Vaquina recalled the hijacking of the Mozambican fishing ship, the "Vega 5", by Somali pirates in December 2010. At the time Mozambique was unable to mount a military response.

The patrol boats are being purchased "to guarantee the security of the fishing undertaken by EMATUM and other companies".

They would also protect Mozambique's marine resources against illegal fishing, and fight against the use of the Mozambique Channel for trafficking in drugs and in human beings.

These boats could also protect such installations as the natural gas exploration and drilling platforms in the Rovuma Basin, in the far north of Mozambican waters.

Fisheries Minister Vitor Borges added that the potential tuna catch in the Indian Ocean is a million tonnes a year, and currently 800,000 tonnes a year is being taken by about 8,000 ships from 32 countries. The western Indian Ocean, including Mozambican waters, is responsible for about 80 per cent of this catch.

The current situation brings Mozambique no benefits apart from the million dollars a year paid in licence fees by foreign vessels. Borges predicted that, in the medium term, the EMATUM boats would be catching 23,000 tonnes of tuna a year, bringing in annual revenue of about 90 million dollars.

Studies made before the bond issue had shown that the business is viable, and that the bondholders can be paid off in full in seven years, out of the revenue generated by EMATUM itself.

Opposition deputies were not convinced. For the MDM, Jose Manuel de Sousa asked what the risk was of activating the guarantee. Would this have an impact on future state budgets and spending in priority sectors such as health and education?

Sousa pointed out that the 2013 budget law only authorizes the government to grant guarantees up to 183.5 million meticals (6.1 million dollars). He also wanted to know what was happening with the other 580 million dollars raised by the bond issue. "Has the rest of this money been committed yet?", he asked.

Renamo deputy Jose Manteigas argued that the government guarantee is unconstitutional, since it was not approved by the Assembly.

Article 179 of the Constitution states that the Assembly is empowered to authorise the government "to contract or grant loans, to undertake other credit operations, for a period longer than one financial year, and to set the maximum limit for guarantees granted by the state".

His colleague, Antonio Timba, described EMATUM as "a ghost company" and claimed that Finance Minister Manuel Chang and the Minister of Planning and Development, Aiuba Cuereineia, sit on its board. He also alleged that the money was being spent on "warships" - though the information about the fishing vessels comes, not simply from the government, but also from the Cherbourg shipyard and the French press.

The government is due to answer these criticisms and questions on Thursday.

Buy Already Shipped Cars



www.sbtjapan.com/sbt-dar-es-salaam



Get high quality used cars in Congo at Dar-es-salaam port.

AllAfrica aggregates and indexes content from over 130 African news organizations, plus more than 200 other sources, who are responsible for their own reporting and views. Articles and commentaries that identify allAfrica.com as the publisher are produced or commissioned by AllAfrica.

Achat & Vente De Devises

www.dmechange.be

Meilleurs Cours 0% Commission Appelez Gratuitement 0800/24.424



AllAfrica is a voice of, by and about Africa - aggregating, producing and distributing 2000 news and information items daily from over 130 African news organizations and our own reporters to an African and global public. We operate from Cape Town, Dakar, Lagos, Monrovia, Nairobi and Washington DC.

© 2014 AllAfrica // [Privacy](#) // [Contact](#)

AllAfrica - All the Time